

REMARKS

Claims 14-15 and 21-27 were pending in the Application, and were rejected. The rejections were made final. By this Response, Claims 1-21 and 27 are now canceled, Claims 22-26 are amended, and new Claims 28 and 29 are added. A Request for Continued Examination (RCE) is included herein so that these amendments will be entered and fully considered in light of these Remarks. No new matter is added herein.

There are substantial differences between the present invention and that taught by the cited prior art. The previous amendments apparently failed to recite these differences clearly enough in the Claims.

Claims 14-15 and 21-27 were rejected under 35 USC 103(a) as being unpatentable over Cooper, in view of Wong (6,592,044). Cooper was admitted to not specifically disclose the reading of non-programmable magnetic data bit positions originally recorded on the card along with the programmable magnetic data bit positions, and that only the corresponding portion of the user account data represented by the programmable magnetic bit portions is presented to the magnetic array. Wong was alleged to disclose a magnetic stripe that contains both a read-only portion (ROM) as well as a RAM portion that can be altered (Col. 10, line 53 to Col 11, line 8). Wong was further alleged to disclose that

the card has a magnetic encoder that can encode the RAM portion of the magnetic stripe (Col. 11, lines 18-24).

The Statement of Motivation to Make the Combination Claimed, which was offered by the Office, is traversed. The Office is required to make an objective case using these elements and combinations. Stating a general feeling of things would be better this way does not satisfy 35 USC 103(a). Here, the Office offers the combination is obvious "to allow the card to generate an anonymous credit card number". But Cooper could do that without Wong, since all of Cooper's data bits are programmable. And nothing in mixing in permanent bits would further enable the card to generate an anonymous credit card number. The actual reason embodiments don't make all the bits programmable is not all the bits need to change for successful one-time-use credit card account numbers, and a lot of expense can be saved by using a more modest magnetic array. These kinds of mass produced cards are very sensitive to repeating costs in manufacturing.

The Office has pointed out a few instances where Cooper mentions some function their card could perform, but Cooper does not describe any circuit or method that would actually enable the function. For example, the Office cites Cooper as describing a card that loads a pattern into magnetic strip 4 "upon or after the insertion of the card in a device

which uses it." Col. 3, lines 42-47. But Cooper fails to show any implementation details. In contrast, the present Application diagrams, in Fig. 2, detectors 206 and 208 connected to data generator 204, and positioned adjacent to the magnetic media 202-225, and having contact with read head 230.

The Office also cites the card described in Cooper as "presenting said complete valid user account data to said programmable magnetic array for a limited time after being triggered by said card-swipe detector", citing Col. 3, lines 14-27, 43-47, and Col. 4, lines 26-47. But Cooper only really describes at these places loading the magnetic strip when an account is called, when another command is generated by the operator, or when the card is inserted in a device that uses it. Cooper does not show the circuits or methods to do any of these, and none of them relate to a time-out that causes the complete valid user account data to said programmable magnetic array to be withdrawn.

Neither Cooper nor Wong diagram or describe the linear combination of magnetic data bits. The present Application diagrams, in Fig. 2, a single series of magnetic data on a magnetic stripe of a payment card to include a linear combination of permanent data bits and programmable data bits. Write heads (transducers) are shown that are able to write the programmable data bits with unique encodings


received from the data generator. Claims 28 and 29 recite all these structures and methods of using them to differentiate over the teachings of Cooper and Wong.

Claims 28 and 29 use the phrase, "unique transaction encoding" to describe what is written to the linear combination of permanent data bits and programmable data bits 202-225 (Fig. 2). Such is not new matter, as the phrase appeared originally on Page 15, line 25, to Page 16, line 10.

As a result, Claims 22-26, 28, and 29, are now pending and should be allowable. Should the Examiner have any questions or suggestions, the Applicant's Attorney would be pleased and available to discuss them, or any other concern, by email or at the telephone number listed below.

Respectfully submitted,

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